



MICHAEL J. MURPHY
State Treasurer

State of Washington
Office of the Treasurer


This report, prepared in accordance with RCW 43.08.150, details the operations of the Office of the State Treasurer during June 2005. In this month's report we feature the state's debt management program, which includes the state's bond, certificate of participation, and school bond guarantee programs.

The State Finance Committee, composed of the governor, lieutenant governor, and state treasurer, the latter being designated by law as chairman, entered the financial market three times during fiscal year 2005, with a total issuance of \$1.52 billion in general obligation and motor vehicle fuel tax general obligation bonds. As of June 30, 2005, outstanding Washington state bond indebtedness totaled \$9.98 billion. In addition to debt owed, there remains \$6.25 billion that is authorized, but not issued.

The State Finance Committee took advantage of the historical low interest rates that prevailed through fiscal year 2005 to refund outstanding bonds. Fiscal year 2005 refundings involved the sale of \$439.400 million general obligation refunding bonds. True interest costs on the refunding bonds ranged from 4.10 percent to 4.21 percent. Gross or nominal savings over the life of the refunded bonds was more than \$52.50 million and present value savings were more than \$39.82 million.

As of June 30, 2005, the state of Washington's general obligation debt was rated Aa1 by Moody's Investor Service, AA by Fitch Ratings and AA by Standard & Poor's Rating Group (S & P).

Sincerely,


MICHAEL J. MURPHY
STATE TREASURER